

Addendum #1 to RFP12202013
Professional Audit Services
McHenry County College

This Addendum is in response to the inquiries from potential bidders. This Addendum constitutes changes to the specifications as sent out in the original RFP and other pertinent information shared with all vendors. All changes and information listed on this Addendum should be considered as the official modifications to the specifications and should be included in your proposal with these in mind.

Please acknowledge your receipt of this addendum by attaching a signed copy of the addendum with your proposal response.

Received and acknowledged by: _____



1. What is the reason for soliciting proposals for audit services? Were you satisfied with the services you received from your prior audit firm? **The current engagement ended and as part of our due diligence to secure the most appropriate audit firm we are sending out this RFP. Yes, we were satisfied with the services of our prior audit firm.**
2. Do you anticipate the current firm will submit a proposal for the current RFP? **Yes.**
3. What are the characteristics you liked about your previous audit firm and their auditing style? **Highly reputable and experienced audit firm.**
4. What are the characteristics you did not like about your previous audit firm and their auditing style? **None.**
5. How many adjusting entries were proposed by the prior auditors, if any, and, what was the nature of those entries? **Five. 1) To reclass debt interest entry. 2) To book additional accrued AP. 3) To correct write-off of Bookstore Vouchers. 4) To record prior period adjustment for fixed assets. 5) To record a prior period adjustment to write-off bond issuance costs in accordance with GASB statement No. 65.**
6. Please provide the approximate number of weeks the auditors spent in the field during the previous engagement. **3 weeks. One in May for preliminary work mostly with financial aid and then 2 weeks in August for the final work.**
7. Has the College and audit firm been able to meet the timeline included in the RFP in recent years (draft by September 1, final report by October 1)? If not, please describe the circumstances. **Yes.**
8. Have there been any significant changes in personnel, internal control or operations since the previous audit? If so, please describe. **No.**
9. Have there been any significant changes in account balances since the previous year's audit? For instance, declines in investment values, changes in funding levels from State agencies, new debt issued etc? **No.**

10. Please describe the process for coordinating fieldwork with the various personnel within the College (i.e., is there an assigned "point person" for the audit?)
The Assistant Vice President of Finance is the point person for the audit who will coordinate the fieldwork.
11. Have the auditors historically met with the Audit/Finance Committee during the planning phase?
There is no Audit/Finance committee at McHenry County College. Auditors typically meet with the CFO/Treasurer and Assistant Vice President of Finance for the planning phase.
12. Was there a management letter issued by the auditors last year? If so, can you please provide?
Yes, there was a management letter issued last year. The letter is not open to public review.
13. Can you provide a copy of the prior year single audit report? Yes.
14. RFP states that the College will prepare the CAFR, but requests that the auditor may provide assistance to ensure compliance with GFOA requirements. What level of participation to expect the auditor to have in the preparation of any portions of the CAFR? The audit firm will prepare the CAFR with the assistance of the College.
15. RFP states that the Foundation is to be included in the College's financial statements as a component unit – is the Foundation part of the scope of this RFP? If not, who performs that audit, and will that audit be finalized in time to meet the October deadline for the College's report? The Foundation audit is not part of this RFP. The FY 2013 audit of the Foundation was done by Legacy Professionals, LLP and will be finalized in time to meet the October deadline.
16. We noted a significant anticipated increase in expenditures from FY2013 actual to the FY2014 budget per page 2 of your RFP. Can you discuss what that increase is primarily related to and what impact this might have on the FY2014 audit? There is \$40 million budgeted in the Special Revenue Fund for strategic growth plans. There are uncertainties as to the likelihood of this occurring in FY 2014.